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May 29, 1959

TO: Mr. Donald B. MacPhail
Acting Regional Director,
Office of African and European Operations,
International Cooperation Administration

SUBJECT: Libyan Aid Program for 1959

In connection with the Libyan aid program for 1959, I understand that some questions have arisen as to (a) whether Circular 175 procedure is required if the Ambassador is to sign a note, acknowledgement of which by the Libyan Government will constitute obligation of $4 million FY 59 Special Assistance, and (b) whether conditions regarding use of these funds for debt retirement and sources of procurement should be included in any exchange of notes.

With regard to (a), it is our view that these funds should be obligated by exchange of letters between the USOM Director and the appropriate Libyan official. If this procedure is followed, no question of Circular 175 clearance would arise.

With regard to (b), the offer without conditions authorized in Deptels 428 and 457 to Benghazi and approved in Deptel 529, all of which were cleared with ICA, has been offered to and accepted by the Libyan Government in the exchange of notes of May 2[illegible]. We do not, therefore, feel that it would be proper or feasible at this juncture to include conditions not specified in the offer which has already been accepted by the Libyan Government.

[illegible] 5/6/82

William J. Porter
Director
Office of Northern African Affairs

AF:AFN:JADoveyJr:apg
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